

## UNDEREMPLOYMENT RISES WITH UNEMPLOYMENT

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Since the current recession began in December 2007, Idaho's seasonally adjusted unemployment rate has risen to within a tenth of a percentage point of the 1983 record of 9.6 percent, and the economy lost over 55,000 jobs. The number of workers off the job skyrocketed from fewer than 27,000 to over 71,000 before beginning to recede in March.

On top of that, tens of thousands of workers remained underemployed throughout the state economy. They were either working part-time or at temporary jobs when they wanted full-time work or they held associate degrees or higher and were still looking for new jobs because their current jobs did not pay much or provide responsibilities at the level their education and training would normally command.

But the number of underemployed Idahoans rose only modestly in 2009 after a substantial increase in 2008 as the recession finally began exacting a toll on the state's economy.

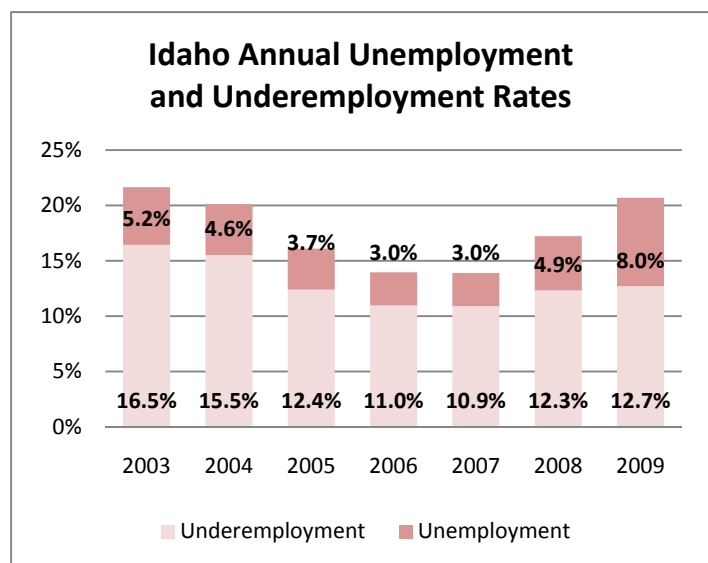
Underemployment is not a hard and fast statistic. It is based on a number of assumptions and does not attempt to measure holiday or seasonal workers.

These underemployment statistics are comprised of two categories: 1) employed workers who are working part-time or temporary jobs but want full-time work based on the ratio of part-time and temporary job listed with the 25 local Labor Department offices; and 2) workers who have associate degrees or higher and are currently employed but have filed with a local office to find another job.

This assumes that the job listings and employment applications filed with the local Labor offices are numerous enough and represent current labor market conditions.

Underemployment averaged 12.7 percent of the Idaho total employment in 2009 compared to 12.3 percent in 2008. The increase of just 2,000 on the heels of over 11,000 joining the ranks of the underemployed in 2008 demonstrates, to a point, the progression of the recession in Idaho.

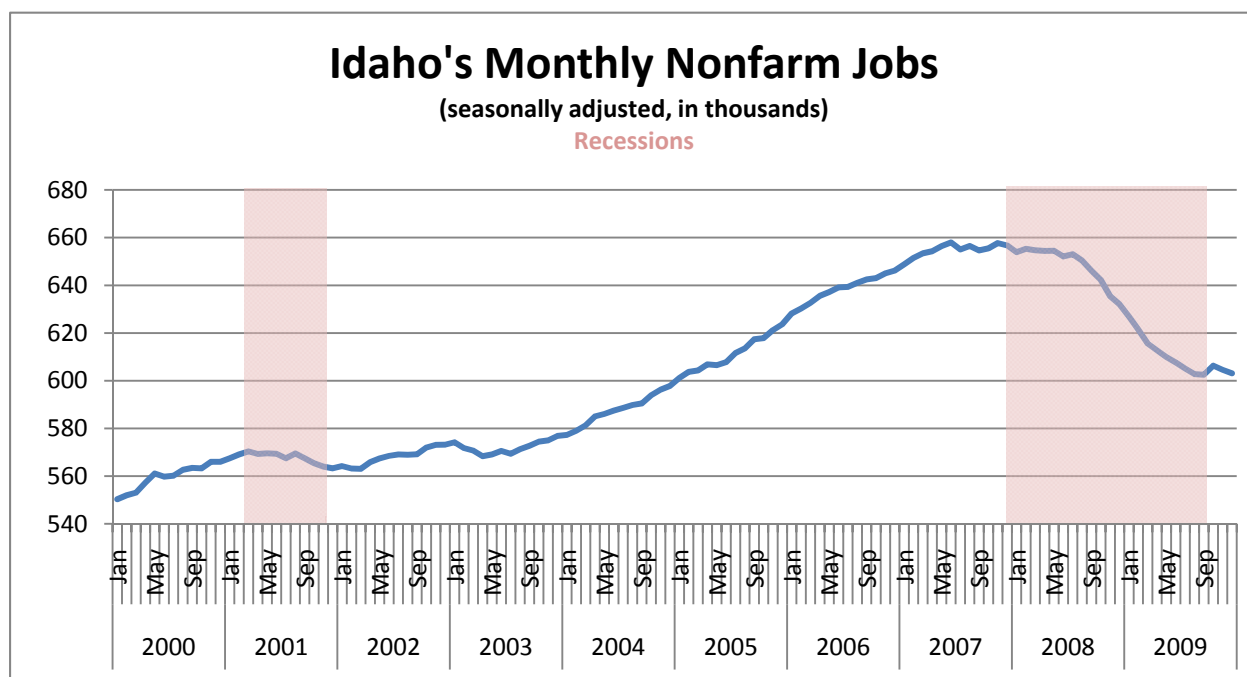
At the peak of the state's economic expansion, unemployment averaged 3 percent and underemployment was around 11 percent in 2006 and 2007. The combination translated into under 105,000 workers.



As the economy began to worsen in 2008, however, many employers decided to cope by cutting wages or curtailing hours before laying workers off as many businesses did. That drove thousands of workers into underemployment while unemployment began rising. The combination totaled 130,000.

Then in 2009 as the recession bored deeply into the Idaho economy, more businesses began cutting wages or hours, shifting more workers to the ranks of the underemployed. At the same time, however, other businesses that normally operated with part-time or temporary workers or had previously cut back hours to deal with the slowdown wound up closing completely, throwing what had been underemployed workers into the unemployment line. The average unemployment rate rose from 4.9 percent in 2008 to 8 percent in 2009 – 23,000 more people out of work. Combined, unemployment and underemployment totaled 155,000 in a work force of just under 750,000 – one of every five workers.

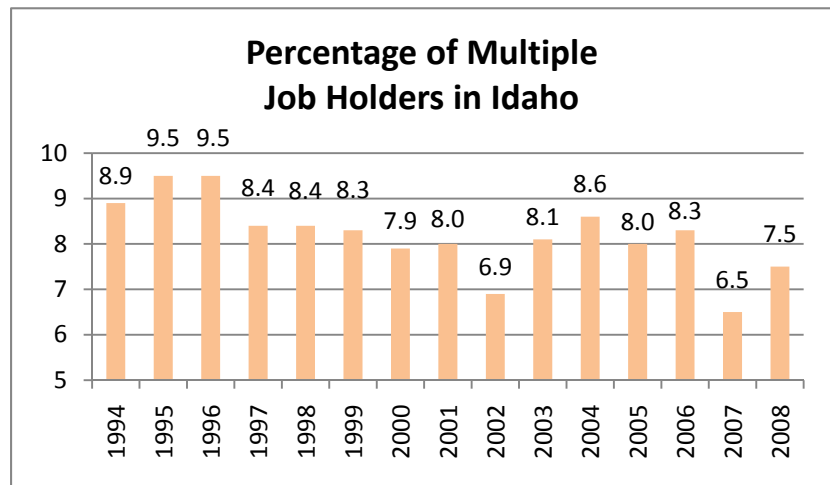
Based on what occurred after the 2001 recession, the combined unemployment and underemployment rate will likely continue to rise in the next two years. But the growth will be in underemployment as unemployed workers begin finding jobs – often part-time or temporary – in an economy that is sluggish in creating them. Nonfarm job growth is projected at only about 1 percent for 2011 and around 2 percent for 2012. Job growth approached 5 percent in 2006.



The Conference Board's monthly online job opening survey has had about seven unemployed Idaho workers for every two Idaho job openings listed each month since December. That is down slightly from the peak of 10 people per job listing in November.

The level of underemployment in Idaho has also been high because of the large number of workers who hold down more than one job, suggesting their primary employment fails to provide the financial resources they need to support themselves and their families.

At the peak of Idaho's expansion when the state was creating jobs faster than nearly every other, Idaho workers holding down more than one job dropped to its lowest level – 6.5 percent in 2007 – since the statistic was first compiled in 1994. But as employees took steps to cope with the downturn, multiple job holders rose to 7.5 percent in 2008. That percentage is likely to fall again in 2009 because the recession stripped so many jobs from the economy. Finding one job became difficult, let alone finding more.



Regionally, the movement in the underemployment rates followed the evolution of the economy through the recession.

## Regional Unemployment and Underemployment Rates

Area	2007		2008		2009	
	Unem- ployment	Underem- ployment	Unem- ployment	Underem- ployment	Unem- ployment	Underem- ployment
<b>State</b>	3.0%	10.9%	4.9%	12.3%	8.0%	12.7%
Northern	3.7%	9.2%	6.2%	11.2%	9.9%	11.3%
North Central	3.4%	10.6%	5.0%	10.8%	7.2%	13.3%
Southwestern	3.1%	11.5%	5.3%	13.6%	8.9%	13.4%
South Central	2.8%	12.4%	3.9%	12.8%	6.6%	12.8%
Southeastern	2.8%	11.3%	4.1%	12.3%	6.4%	8.8%
Eastern	2.3%	10.0%	3.6%	9.4%	6.3%	14.1%

Where unemployment was especially low, like eastern Idaho, the underemployment rate rose significantly more than in other areas, apparently a reflection of more resilience to the downturn than in other regions. Areas with higher unemployment to begin with, like the Panhandle, experienced relatively stable underemployment rates with workers shifting from underemployment to unemployment as the recession deepened.

## Annual Unemployment and Underemployment Rates

	2007		2008		2009	
	Unem- ployment	Underem- ployment	Unem- ployment	Underem- ployment	Unem- ployment	Underem- ployment
<b>State</b>	3.0%	10.9%	4.9%	12.3%	8.0%	12.7%
<b>Ada</b>	2.6%	10.1%	4.7%	14.3%	8.2%	11.9%
<b>Adams</b>	5.6%	13.6%	10.3%	27.1%	15.1%	4.4%
<b>Bannock</b>	2.9%	8.5%	4.6%	6.9%	6.9%	10.5%
<b>Bear Lake</b>	2.3%	0.2%	3.2%	0.2%	5.5%	0.2%
<b>Benewah</b>	6.0%	14.5%	9.8%	8.6%	13.9%	10.8%
<b>Bingham</b>	2.6%	16.4%	3.9%	21.1%	6.0%	6.4%
<b>Blaine</b>	2.3%	12.9%	3.8%	17.2%	7.7%	13.1%
<b>Boise</b>	3.3%	5.3%	5.8%	18.4%	8.1%	69.1%
<b>Bonner</b>	3.8%	9.9%	6.4%	11.1%	10.2%	12.3%
<b>Bonneville</b>	2.2%	7.2%	3.5%	5.8%	5.8%	11.3%
<b>Boundary</b>	6.0%	9.9%	8.6%	11.1%	12.6%	12.3%
<b>Butte</b>	2.4%	0.5%	4.2%	0.3%	5.3%	12.9%
<b>Camas</b>	2.6%	0.3%	4.4%	0.3%	9.3%	0.5%
<b>Canyon</b>	3.6%	13.8%	6.3%	11.9%	10.4%	22.4%
<b>Caribou</b>	2.8%	12.1%	3.6%	12.4%	6.1%	0.8%
<b>Cassia</b>	3.1%	8.6%	3.8%	11.8%	5.5%	6.8%
<b>Clark</b>	2.2%	8.5%	3.4%	0.2%	5.5%	0.2%
<b>Clearwater</b>	7.3%	14.1%	10.6%	9.6%	13.8%	30.3%
<b>Custer</b>	3.3%	9.7%	4.5%	10.3%	5.6%	26.1%
<b>Elmore</b>	3.8%	12.5%	5.5%	7.0%	7.8%	3.9%
<b>Franklin</b>	2.1%	5.2%	3.3%	0.3%	5.1%	0.5%
<b>Fremont</b>	3.2%	30.4%	4.8%	17.1%	8.1%	30.4%
<b>Gem</b>	3.7%	10.8%	6.9%	7.5%	10.7%	7.4%
<b>Gooding</b>	2.1%	10.0%	3.3%	0.4%	5.8%	19.5%
<b>Idaho</b>	5.0%	10.6%	7.4%	12.7%	10.2%	15.2%
<b>Jefferson</b>	2.4%	13.4%	3.7%	12.5%	6.5%	9.2%
<b>Jerome</b>	2.8%	6.0%	4.1%	7.8%	6.6%	3.7%
<b>Kootenai</b>	3.3%	5.4%	5.6%	9.9%	9.1%	9.9%

<b>Latah</b>	2.7%	8.2%	4.1%	7.3%	6.0%	10.0%
<b>Lemhi</b>	4.5%	27.7%	6.7%	29.4%	8.4%	24.4%
<b>Lewis</b>	2.6%	9.1%	3.8%	4.0%	5.6%	6.1%
<b>Lincoln</b>	3.3%	4.6%	5.5%	0.7%	11.0%	4.1%
<b>Madison</b>	2.1%	9.6%	3.4%	10.1%	5.4%	18.3%
<b>Minidoka</b>	3.8%	35.0%	4.4%	37.1%	6.2%	27.4%
<b>Nez Perce</b>	3.0%	12.3%	4.4%	15.9%	6.2%	12.5%
<b>Oneida</b>	1.7%	0.4%	3.4%	0.4%	5.7%	0.7%
<b>Owyhee</b>	1.9%	8.8%	3.0%	0.5%	4.1%	0.6%
<b>Payette</b>	4.1%	26.8%	5.8%	10.8%	9.4%	10.2%
<b>Power</b>	3.9%	5.6%	5.2%	11.1%	7.3%	4.8%
<b>Shoshone</b>	5.1%	6.6%	8.1%	6.4%	13.1%	4.6%
<b>Teton</b>	1.7%	2.2%	2.8%	5.8%	5.7%	1.1%
<b>Twin Falls</b>	2.7%	9.2%	3.9%	8.4%	6.4%	12.1%
<b>Valley</b>	4.0%	17.4%	8.7%	15.3%	13.3%	27.4%
<b>Washington</b>	4.1%	14.0%	5.6%	7.5%	9.1%	11.3%